

Message Text

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FM AMEMBASSY DAKAR
TO SECSTATE WASHDC 5056
INFO AMEMBASSY ABIDJAN
AMEMBASSY ALGIERS
AMEMBASSY BAMAKO
AMEMBASSY BANJUL POUCH
AMEMBASSY BISSAU POUCH
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C O N F I D E N T I A L SECTION 1 OF 3 DAKAR 5636

E.O. 11652: GDS
TAGS: PEPR, EGEN, SHUM, PINT, PGOV, SG
SUBJECT: SENEGAL: QUARTERLY POLITICAL AND ECONOMIC
ROUNDUP-APRIL-JUNE 1978

REF: DAKAR 4545

SUMMARY

THE SOVIET-CUBAN PRESENCE IN AFRICA HAS BEEN THE MAJOR PREOCCUPATION
OF SENEGALESE FOREIGN POLICY OVER THE PAST THREE MONTHS, APRIL - JUNE,

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1978. PRESIDENT SENGHOR'S NUMEROUS PUBLIC STATEMENTS, ESPECIALLY
THOSE MADE DURING HIS VISIT TO THE US IN JUNE AND HIS INCREASINGLY
ACTIVIST INTERNATIONAL POLICY STEM FROM HIS FEAR OF THE IMPLICATIONS
OF SOVIET-CUBAN INTERFERENCE IN AFRICAN AFFAIRS FOR LONG-TERM
SENEGALESE SECURITY. HIS ACTIONS SEEM TO REFLECT ONE POLITICAL
OBJECTIVE: ACTIVE CONTAINMENT OF THE SOVIET UNION AND CUBA.
TO THAT END, HE HAS PURSUED THREE MAIN POLICIES: DESPITE

DOMESTIC OPPOSITION, HE HAS ACTIVELY INVOLVED SENEGALESE TROOPS IN THE PAN-AFRICAN CONTINGENT IN ZAIRE; HAS STRENGTHENED THE GOS RELATIONSHIP WITH THE US AND HE HAS SOUGHT TO WEAVE WITH HIS NEIGHBORS A WEB OF CLOSE TECHNICAL AND ECONOMIC COOPERATION. EXAMPLES OF THE LATTER ARE THE RECONCILIATION WITH GUINEA AND A DISPLAY, FOR THE FIRST TIME, OF ENTHUSIASM FOR THE ECONOMIC COUNCIL OF WEST AFRICAN STATES (ECOWAS). KTHE SENEGALESE HAVE LONG BEEN UNEASY WITH NIGERIA'S DISPROPORTIONATE STRENGTH IN WEST AFRICA.)

ON THE ECONOMIC SCENE, THE POOR HARVEST OF 1977 IS GREATLY AFFECTING SENEGAL'S BALANCE OF PAYMENTS SITUATION. PEANUT OIL EXPORT REVENUES ARE DRAMATICALLY REDUCED FROM THEIR NORMAL HIGH,- OF \$150 MILLION TO \$50 MILLION, CAUSING THE WORST BOP DEFICIT IN GOS HISTORY. SECONDLY, SENEGAL'S 600-MAN BATTALION SERVING IN UNIFIL IN LEBANON AND A SECOND 600-MAN FORCE IN SHABA ARE DRAINING SENEGAL'S CASH RESERVES AND CAUSING A GREAT FISCAL SQUEEZE. THIS HAS LED THE GOS TO REQUEST URGENT FISCAL SUPPORT FROM THE USG AND A \$10 MILLION LOAN FROM FRANCE TO HELP MEET THEIR SEPTEMBER-OCTOBER PAYROLL. END SUMMARY.

1. SOVIET-CUBAN THREAT: DURING THE QUARTER, SENGHOR REPEATEDLY WARNED OF THE SOVIET-CUBAN THREAT IN AFRICA, PRIVATELY CLAIMING THAT UNNAMED U.S. OFFICIALS WERE "STROKING THE SOVIETS." AT THE SOCIALIST INTERNATIONAL MEETING HELD IN DAKAR IN MAY, SENGHOR CALLED FOR CSCE CONDEMNATION OF FOREIGN INTERVENTION IN AFRICAN AFFAIRS, CONFIDENTIAL

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ASKING "WHAT IS THE WEST DOING? THE AMERICAN SUPERPOWER MAKES THREATS...BUT IN WORDS." THE RECURRENT THEME DURING THE NATIONAL ASSEMBLY DEBATE OVER MILITARY ASSISTANCE TO SHABA IN MAY WAS "AFRICA FOR THE AFRICANS." IN A SPEECH TO THE NATIONAL COMMITTEE OF THE SENEGALESE SOCIALIST PARTY, SENGHOR ROUDLY CONDEMNED WHAT HE DESCRIBED AS THE SOVIET DRIVE FOR "HEGEMONY" IN AFRICA AND THE DOUBLE STANDARD WHICH CONDEMNS WESTERN NEOCOLONIALISM WHILE SUPPORTING OR TELERATING SOVIET-CUBAN INTERVENTION (SEE REFTEL FOR AN ANALYSIS OF THE ROOTS OF SENGHOR'S ANTI-COMMUNIST VIEWS).

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AMEMBASSY LAGOS

AMEMBASSY KINSHASA

AAMEMBASSY NOUAKCHOTT 5380

AMEMBASSY PARIS

AMEMBASSY PRAIA UNN

AMEMBASSY RABAT

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2. PEACEKEEPING OPERATIONS - ZAIRE AND UN FORCES IN
LEBANON.

A. ZAIRE: THE DISPATCHING OF 600 SENEGALESE TROOPS
AND 100 TONS OF AMMUNITION AND FOOD TO ZAIRE, THEN, CAME
AS NO SURPRISE. ACCORDING TO PRIME MINISTER ABDOUDIOUF,
THE PURPOSE WAS TO "HELP ZAIRE TO REPULSE AGGRESSORS,
DEFEND ITS INDEPENDENCE, AND MAINTAIN ITS TERRITORIAL
INTEGRITY." THE GOS ACTION DID NOT ENJOY WIDE-
SPREAD POPULAR SUPPORT. THE EXPULSION OF ALL SENEGALESE
LIVING IN ZAIRE IN THE EARLY 70'S WAS IN SENGHOR'S OWN
WORDS, "AT BEST, INHUMANE" AND CERTAINLY DID NOT ENDEAR
ZAIRE TO SENEGAL. SENGHOR EMPHASIZED THAT "IT IS THE
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INDEPENDENCE OF SENEGAL THAT WE DEFEND" IN ZAIRE,
IMPLYING THAT HE DID NOT SEND TROOPS THERE TO PROP UP A
PARTICULAR REGIME. THE NATIONAL SSEMBLY GAVE THE
GOVERNMENT AN 82-17 VOTE OF CONFIENCE (THE SPLIT WAS STRICTLY
ALONG PARTY LINES), AND THE SEMI-OFFICIAL DAILY LE SOLEIL
LAUNCHED A MASSIVE PUBLICITY CAMPAIGN (AND CONTINUES TO DO SO
WITH DAILY REPORTS FROM KINSHASA DESCRIBING THE FLOWING
PERFORMANCE OF THE SENEGALESE TROOPS).
EVENTS IN SHABA PRECIPITATED A GOOD DEAL OF POLICITAL ACTIVITY
BY SENGHOR. THE PRESIDENT WAS AN IMPORTANT ACTOR IN THE

PARIS SUBMMIT. HE HELPED ORGANIZE THE PAN-AFRICAN FORCE, ENLISTING FRENCH AND USG LOGISTICAL ASSISTANCE, AND RALLIED OTHER AFRICAN NATIONS TO ZAIRE'S DEFENSE.

THE GOS THEN PLAYED A MAJOR ROLE IN THE THWO PHASES OF THE SHABA AIRLIFT BY ALLOWING PLANES TO LAND AND REFUEL AT DAKAR AIRPORT.

IN THE FIRST PHASE, U.S. C-141'S AND C-5'S FLEW FRENCH AND BELGIAN EQUIPMENT AND SOME FRENCH FOREIGN LEGIONNAIRES AND BELIGAN FROM CORSICA AND BELIUM TO SHABA.

IN THE SECOND PHASE, THE U.S. REPATRIATED THE FRENCH CONTINGENT, THEN ASSISTED WITH THE TRANSPORT OF MEN AND EQUIPMENT FROM MOROCCO, SENEGAL, TOGON IVORY COAST AND GABON TO ZAIRE.

(B) SENEGAL CONTRIBUTES A 600-MAN BATTALION TO THE UNIFIL FORCES IN LEBANON. THE COMMANDO BATTALION LEFT SENEGAL APRIL 22ND. FIVE MEN WHERE KILLED WITHIN THE FIRST WEEK IN LEBANON, BUT TO OUR KNOWLEDGE, THE BATTALION HAS SUFFERED NO OTHER DEATHS SINCE THEN. THIS UN PEACEKEEPING OPERATION ENJOYS WIDESPREAD PUBLIC SUPPORT.

3. INCREASING CLOSENESS OF US-SUNEGALESE RELATIONS.

EARLY IN THE QUARTER, SENGHOR URGED THE US TO ALTER WHAT HE FEARED WAS ITS LAX VIEW OF SOVIET INVOLVEMENT IN AFRICA. CONFIDENTIAL

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HE WAS ANGRY AT THE WEST FOR "FAILING TO RECOGNIZE THE GRAVITY OF THE SOVIET CHALLENGE." BUT HE FOUND THE US ROLE IN THE LOGISTICAL SUPPORT FOR REPULSING THE SHABA INVASION REASSURING.

THE MAJOR THRUST OF SENGHOR'S JUNE 2-8 PRIVATE U.S. VISIT WAS TO EXPRESS HIS STRONG VIEWS ON THE DANGERS OF SOVIET-CUBAN ACTION IN AFRICA. SAYING THE U.S. SHOULD TAKE A FAR MORE ACTIVE ROLE IN CONTAINING THE SOVIETS, HE URGED THAT THE US PROVIDE AFRICAN STATES WITH "ADVISE, ARMS, AND LOGISTICAL SUPPORT, THOUGH NOT TROOPS, AND THAT THE US INCREASE ITS DEVELOPMENT ASSISTANCE TO AFRICA."

IN WASHINGTON, HE CONFERRED WITH CAPITOL HILL POLICYMAKERS, THE SECRETARY OF STATE, AND THE PRESIDENT. SENGHOR BELIEVES HIS VISIT INCREASED WASHINGTON'S UNDERSTANDING OF HIS FOREIGN POLICY VIEWS. IN NEW YORK HE MET WITH BUSINESS LEADERS, HOPING TO ATTRACT AMERICAN INVESTMENT, ADDRESSED A SPECIAL UN SESSION ON DISARMAMENT, AND HIGHLIGHTED HIS VISIT WITH POETRY READING AT THE POETRY CENTER OF NEW YORK.

THE SHABA OPERATION PROVIDED AN OCCASION OF CLOSE U.S.-SENEGALESE COOPERATION. SENEGAL PROVIDED THE GREATLY NEEDED AIRPORT FACILITIES AND FUEL FOR SHABA II. THE MAC FLIGHTS REFUELD IN DAKAR ENROUTE TO ZAIRE LOADED WITH SOME FRENCH AND BELGIAN MILITARY PERSONNEL AND MOST ALL EQUIPMENT. DAKAR/YOFF WAS THE ONLY AIRPORT WITH THE NECESSARY

FACILITIES AND SUFFICIENT FUEL --
ABIDJAN AND ROBERTS FIELD, ALONG WITH THE OTHER
AIRPORTS DOWN THE COAST OF WEST AFRICA, WERE UNABLE TO MEET
THE SUDDEN REQUIREMENTS OF THE SHABA AIRLIFT.
IN ANOTHER COOPERATIVE GESTURE, THE SENEGALESE WORKED HARD
WITH OTHER MODERATES FOR DELETION OF ANTI-AMERICAN STATEMENTS
IN THE FINAL TEXTS OF THE ISLAMIC FOREIGN MINISTERS'
CONFERENCE HELD IN DAKAR IN APRIL. THE SENEGALESE TRIED
HARD, BUT IN THE THE FACE OF A STRONG ATTACK MOUNTED BY THE
PLO AND THE ARAB REJECTIONIST FRONT (SYRIA, ALGERIA, IRAQ)
WERE NOT ABLE TO PREVAIL.
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4. REGIONAL COOPERATION IMPROVES: INTER-REGIONAL COOPERATION TOOK ON GREATER IMPORTANCE, CLIMAXING WITH THE SENEGALESE/GUINEAN RAPPROACHMENT. FOLLOWING THE MARCH 18-19 SUMMIT IN MONROVIA, OFFICIAL DIPLOMATIC RELATIONS WERE FIRMLY RE-ESTABLISHED ON MAY 8TH. THIS TURNABOUT IN GUINEAN POLICY WAS INITIALLY GREETED WITH COOLNESS AND SKEPTICISM BY SENEGAL WHICH HAD LONG DISAPPROVED OF THE GOG'S PRO-SOVIET POSTURE OF THE 1960'S AND 1970'S. GRADUALLY, HOWEVER, SENEGAL WARMED UP TO GUINEA'S INITIATIVES. A VERY HIGH-LEVEL DELEGATION THEN NEGOTIATED TREATIES OF FRIENDSHIP AND COOPERATION, AND A VARIETY OF BILATERAL ACCORDS COVERING COMMERCIAL, CULTURAL, JUDICIAL MATTERS. CONFIDENTIAL

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OBSERVERS HERE COULD NOT REMEMBER WHEN MORE RHAPSODIC LANGUAGE HAD EVER BEEN USED IN A COMMUNIQUE. ALREADY, THERE SEEMS TO BE FREER MOVEMENT BETWEEN BORDERS, AND IN JUNE, THE GUINEAN NATIONAL ORCHESTRA ENJOYED A WARM RECEPTION IN DAKAR. AND THE GOS ANNOUNCED THAT GUINEA COULD JOIN THE ORGANIZATION DE LA MISE EN VALEUR DU FLEUVE DE LA GAMBIE (OMVG) IF IT SO WISHED. ALSO FOR THE FIRST TIME, PRESIDENT SENGHOR SHOWED INCREASED WARMTH TOWARDS ECOWAS UPON HIS RETURN FROM THE APRIL 21-22 SUMMIT IN LAGOS. DAKAR WILL BE THE NEXT CONFERENCE SITE, AND THE MINISTER OF FINANCE, OUSMANE SECK, WILL BE CHAIRMAN OF THE COUNCIL OF MINISTERS.

5. ECONOMIC SITUATION MORE SERIOUS: THE FULL EFFECTS OF THE POOR HARVEST OF 1977 BEGAN TO BE FELT WITH SEVERE IMPACT ON BALANCE OF PAYMENTS AND PUBLIC FINANCE SITUATIONS. EXPORT RECEIPTS FOR PEANUT OIL, NORMALLY NUMBER ONE FOREIGN EXCHANGE EARNER, WILL FALL DRAMATICALLY FROM AN AVERAGE \$150 MILLION ANNUALLY TO UNDER \$50 MILLION, AND WE EXPECT THE LARGEST BALANCE OF PAYMENTS DEFICIT IN SENEGALESE HISTORY. SOME RELIEF IN THIS AREA IS LIKELY TO BE PROVIDED BY STABEX PROVISION OF THE LOME CONVENTION UNDER WHICH OVER \$20 MILLION HAS ALREADY BEEN PLEDGED. SENEGAL IS ELIGIBLE FOR PERHAPS ANOTHER \$60 MILLION FROM STABEX THIS YEAR AND WE BELIEVE THAT THE BALANCE OF PAYMENTS SITUATION, WHILE OMINOUS, CAN BE RIDDED OUT. SENEGAL STILL RETAINS A LONG LINE OF CREDIT WITH THE IMF AND GAINS ADDED FLEXIBILITY FROM MEMBERSHIP IN UMOA (UNION MONETAIRE OUEST AFRICAINE) UNDER WHICH IT CAN MAINTAIN NEGATIVE FOREIGN EXCHANGE POSITION FOR LONG PERIODS. THE PUBLIC FINANCE SITUATION IS MORE CRITICAL. GOVERNMENT RECEIPTS ARE DOWN CONSIDERABLY DUE TO POOR HARVEST WHICH CONFIDENTIAL

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LOWERED EXPORT AND INCOME TAX RECEIPTS. THE ADDED BURDEN OF SUPPORTING UNIFIL FORCES IN LEBANON AND A BATTALION OF TROOPS IN SHABA, WHICH GOS ESTIMATES REPRESENTS \$13.5 MILLION IN UNREIMBURSED EXPENSES FOR SIX MONTH PERIOD HAS CREATED A CASH FLOW CRUNCH. THE GOS HAS ASKED FRANCE FOR A \$10 MILLION LOAN TO MEET ITS SEPTEMBER PAYROLL AND WE BELIEVE OCTOBER WILL BE EQUALLY DIFFICULT. PRESIDENT SENGHOR APPEALED TO THE US AMBASSADOR FOR BUDGETARY SUPPORT AND THE EMBASSY REQUESTED SECURITY SUPPORTING ASSISTANCE FOR SENEGAL TO DEFRAY ADDED COSTS OF PEACEKEEPING MISSIONS.

ECONOMIC RECOVERY DEPENDS ALMOST ENTIRELY ON ADEQUATE RAINFALL AND A SATISFACTORY HARVEST IN 1978. WHILE THE EARLY PATTERN OF RAINFALL IS ENCOURAGING, PARTICULARLY IN THE SOUTH, AND PLANTING HAS BEGUN, IT IS STILL FAR TOO EARLY TO PREDICT THE MAGNITUDE OF THE HARVEST.

THE GOVERNMENT BUDGET FOR 1978-79 ADOPTED BY THE NATIONAL ASSEMBLY AT THE END OF MAY IS THE LARGEST IN HISTORY, CFA 178 BILLION (\$790 MILLION), REPRESENTING A 15.5 PERCENT INCREASE OVER THE PREVIOUS YEAR. BASED ON THE ASSUMPTION OF A NORMAL 1978-79 HARVEST, A SLIGHT BUDGET SURPLUS IS PROJECTED. CUSTOMS REVENUES COMPRISE ABOUT HALF OF THE TOTAL RECEIPTS, DOWN SLIGHTLY FROM LAST YEAR, AND AS USUAL, EDUCATION AND NATIONAL DEFENSE ARE THE LARGEST EXPENSE CATEGORIES.

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